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23 UNITED STATES DISTRICT COURT
24 DISTRICT OF NEVADA

25 RONALD A. KATZ TECHNOLOGY
26 LICENSING, L.P.,

27 Plaintiff,

28 v.

SIERRA PACIFIC RESOURCES,
SIERRA PACIFIC POWER COMPANY
AND NEVADA POWER COMPANY,

Defendants.

Case No.

COMPLAINT FOR PATENT
INFRINGEMENT

DEMAND FOR JURY TRIAL

Plaintiff Ronald A. Katz Technology Licensing, L.P. ("Katz Technology Licensing"), for its Complaint against Sierra Pacific Resources, Sierra Pacific Power Company and Nevada Power Company (together, "Defendants") states as follows:

JURISDICTION AND VENUE

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2 1. This is an action arising under the patent laws of the United States, 35 U.S.C.
3 sections 101 *et seq.* This Court has subject matter jurisdiction over this action under 28 U.S.C.
4 sections 1331 and 1338(a).

5 2. Defendants are subject to this Court's personal jurisdiction because, on
6 information and belief, (1) they are Nevada corporations; (2) they do substantial business in this
7 district; (3) they operate infringing automated call processing systems that are available to their
8 customers, including customers in this district; and/or (4) they regularly solicit business from, do
9 business with, and derive revenue from goods and services provided to, customers in this district.

10 3. Venue is proper in the unofficial Southern Division of this judicial district under
11 28 U.S.C. sections 1391(c) and 1400(b) because Defendants are organized, reside and/or engage
12 in significant business activities in this district as set forth in Paragraph 6 above.

THE PARTIES

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15 4. Plaintiff Katz Technology Licensing is a California limited partnership with its
16 principal place of business at 9220 Sunset Boulevard, Suite 315, Los Angeles, California 90069.

17 5. On information and belief, Defendant Sierra Pacific Resources is a Nevada
18 corporation with its principal place of business at 6100 Neil Road, Reno, Nevada 89511.

19 6. On information and belief, Defendant Sierra Pacific Power Company is (a) a
20 Nevada corporation with its principal place of business at 6100 Neil Road, Reno, Nevada 89511
21 and (b) a subsidiary of Sierra Pacific Resources.

22 7. On information and belief, Defendant Nevada Power Company is (a) a Nevada
23 corporation with its principal place of business at 6266 West Sahara Avenue, Las Vegas, Nevada
24 89146 and (b) a subsidiary of Sierra Pacific Resources.

BACKGROUND

8. Ronald A. Katz ("Mr. Katz"), founder of Katz Technology Licensing, is the sole inventor of each of the patents-in-suit. Mr. Katz has been widely recognized as one of the most prolific and successful inventors of our time, and his inventions over the last forty-plus years have been utilized by literally millions of people.

9. In 1961, Mr. Katz co-founded Telecredit Inc. ("Telecredit"), the first company to provide online, real-time credit authorization, allowing merchants to verify checks over the telephone. Further innovations from Telecredit include the first online, real-time, point-of-sale credit verification terminal, which enabled merchants to verify checks without requiring the assistance of a live operator, and the first device that used and updated magnetically-encoded cards in automated teller machines. Multiple patents issued from these innovations, including patents co-invented by Mr. Katz.

10. Telecredit was eventually acquired by Equifax, and has now been spun off as Certegy, a public company traded on the New York Stock Exchange. Certegy continues to provide services in the credit and check verification field established by Mr. Katz and Telecredit.

11. Mr. Katz's inventions have not been limited to telephonic check verification. Indeed, Mr. Katz is responsible for advancements in many fields of technology. Among his most prominent and well-known innovations are those in the field of interactive call processing. Mr. Katz's inventions in that field are directed to the integration of telephonic systems with computer databases and live operator call centers to provide interactive call processing services.

12. The first of Mr. Katz's interactive call processing patents issued on December 20, 1988. More than fifty U.S. patents have issued to Mr. Katz for his inventions in the interactive call-processing field, including each of the patents-in-suit.

13. In 1988, Mr. Katz partnered with American Express to establish FDR Interactive Technologies, later renamed Call Interactive, to provide interactive call processing services based on Mr. Katz's inventions. The American Express business unit involved in this joint venture later became known as First Data.

1 14. Early clients of Call Interactive included *The New York Times*, ABC's *Monday*
2 *Night Football*, KABC Radio, CBS News, and Beatrice Foods (Hunt-Wesson division).

3 15. Many of these clients utilized Call Interactive technology for high-profile events.
4 For example, CBS News hired Call Interactive to operate an interactive, real-time telephone poll
5 to gauge viewer reaction to President George H.W. Bush's 1992 State of the Union address.

6 16. Mr. Katz sold his interest in Call Interactive to American Express in 1989 but
7 continued to provide advisory services to Call Interactive until 1992. American Express later
8 spun off the First Data business unit into a separate corporation, and with that new entity went
9 Mr. Katz's interactive call processing patents and the Call Interactive call processing business.
10 The former Call Interactive, now known as First Data Voice Services, continues to provide call
11 processing solutions today.

12 17. In 1994, Mr. Katz formed Katz Technology Licensing, which acquired the rights
13 to the entire interactive call processing patent portfolio, including the rights to each of the patents-
14 in-suit, from First Data, the owner of all of the Katz interactive call processing patents at that
15 time.

16 18. The marketplace has clearly recognized the value of Mr. Katz's inventions.
17 Indeed, over one hundred fifty companies have licensed the patents-in-suit. Licensees include
18 IBM, Hewlett-Packard, Bank of America, JPMorgan Chase, Wells Fargo, HSBC, Verizon, Sprint,
19 Microsoft, Delta Airlines, Merck, Sears, Citibank, and the Home Shopping Network. These
20 licensees and others acknowledge the applicability of the patents-in-suit to multiple fields of use,
21 including but not limited to financial services call processing, automated securities transactions,
22 automated credit card authorization services, automated wireless telecommunication services and
23 support, automated health care services, and product and service support.

24 19. Each of the defendants employs the inventions of certain of the patents-in-suit.
25 Katz Technology Licensing, through its licensing arm A2D, L.P., has repeatedly attempted to
26 engage each defendant in licensing negotiations, but to date, none of the defendants has agreed to
27 take a license to any of the patents-in-suit.

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THE ASSERTED PATENTS

20. On December 20, 1988, the United States Patent and Trademark Office duly and legally issued United States Patent No. 4,792,968 (the "'968 Patent") to Ronald A. Katz for an invention entitled "Statistical Analysis System for Use With Public Communication Facility." The '968 Patent expired on December 20, 2005.

21. On May 29, 1990, the United States Patent and Trademark Office duly and legally issued United States Patent No. 4,930,150 (the "'150 Patent") to Ronald A. Katz for an invention entitled "Telephonic Interface Control System." The '150 Patent expired on December 20, 2005.

22. On July 7, 1992, the United States Patent and Trademark Office duly and legally issued United States Patent No. 5,128,984 (the "'984 Patent") to Ronald A. Katz for an invention entitled "Telephone Interface Call Processing System With Call Selectivity."

23. On September 27, 1994, the United States Patent and Trademark Office duly and legally issued United States Patent No. 5,351,285 (the "'285 Patent") to Ronald A. Katz for an invention entitled "Multiple Format Telephonic Interface Control System." The '285 Patent expired on December 20, 2005.

24. On October 1, 1996, the United States Patent and Trademark Office duly and legally issued United States Patent No. 5,561,707 (the "'707 Patent") to Ronald A. Katz for an invention entitled "Telephonic-Interface Statistical Analysis System." The '707 Patent expired on December 20, 2005.

25. On November 4, 1997, the United States Patent and Trademark Office duly and legally issued United States Patent No. 5,684,863 (the "'863 Patent") to Ronald A. Katz for an invention entitled "Telephonic-Interface Statistical Analysis System." The '863 Patent expired on December 20, 2005.

26. On September 29, 1998, the United States Patent and Trademark Office duly and legally issued United States Patent No. 5,815,551 (the "'551 Patent") to Ronald A. Katz for an invention entitled "Telephonic-Interface Statistical Analysis System." The '551 Patent expired on December 20, 2005.

1 27. On October 27, 1998, the United States Patent and Trademark Office duly and
2 legally issued United States Patent No. 5,828,734 (the “734 Patent”) to Ronald A. Katz for an
3 invention entitled “Telephone Interface Call Processing System With Call Selectivity.”

4 28. On June 29, 1999, the United States Patent and Trademark Office duly and legally
5 issued United States Patent No. 5,917,893 (the “893 Patent”) to Ronald A. Katz for an invention
6 entitled “Multiple Format Telephonic Interface Control System.” The ‘893 Patent expired on
7 December 20, 2005.

8 29. On October 26, 1999, the United States Patent and Trademark Office duly and
9 legally issued United States Patent No. 5,974,120 (the “120 Patent”) to Ronald A. Katz for an
10 invention entitled “Telephone Interface Call Processing System With Call Selectivity.”

11 30. On November 14, 2000, the United States Patent and Trademark Office duly and
12 legally issued United States Patent No. 6,148,065 (the “065 Patent”) to Ronald A. Katz for an
13 invention entitled “Telephonic-Interface Statistical Analysis System.” The ‘065 Patent expired
14 on July 10, 2005.

15 31. On January 1, 2002, the United States Patent and Trademark Office duly and
16 legally issued United States Patent No. 6,335,965 (the “965 Patent”) to Ronald A. Katz for an
17 invention entitled “Voice-Data Telephonic Interface Control System.” The ‘965 Patent expired
18 on December 20, 2005.

19 32. On July 23, 2002, the United States Patent and Trademark Office duly and legally
20 issued United States Patent No. 6,424,703 (the “703 Patent”) to Ronald A. Katz for an invention
21 entitled “Telephonic-Interface Lottery System.” The ‘703 Patent expired on July 10, 2005.

22 33. On August 13, 2002, the United States Patent and Trademark Office duly and
23 legally issued United States Patent No. 6,434,223 (the “223 Patent”) to Ronald A. Katz for an
24 invention entitled “Telephone Interface Call Processing System With Call Selectivity.” The ‘223
25 Patent expired on July 10, 2005.

26 34. On January 13, 2004, the United States Patent and Trademark Office duly and
27 legally issued United States Patent No. 6,678,360 (the “360 Patent”) to Ronald A. Katz for an
28 invention entitled “Telephonic-Interface Statistical Analysis System.” The ‘360 Patent expired
 on July 10, 2005.

CLAIM FOR PATENT INFRINGEMENT

35. Katz Technology Licensing realleges and incorporates by reference Paragraphs 1-34 of this Complaint as if fully set forth herein.

36. Defendants provide electric utility and other services to customers in Nevada and other states.

37. On information and belief, Defendants use infringing call processing systems to offer automated customer service to their customers. Using an automated system, in some instances in connection with operators, Defendants allow their customers to access account information, start new service, transfer service, stop service, make a payment on an account, request a duplicate bill, request a letter of credit, request average billing information, report an outage, and perform various other functions.

38. Katz Technology Licensing is the sole holder of the entire right, title, and interest in the '065, '120, '150, '223, '285, '360, '551, '703, '707, '734, '863, '893, '965, '968 and '984 Patents.

39. On information and belief, in their automated customer service operations described in Paragraph 37 (collectively, the "Accused Services"), Defendants have been and are now infringing, actively inducing the infringement of, or contributing to the infringement of one or more claims of the patents identified in Paragraph 38 of this Complaint by making, using, offering to sell, or selling the Accused Services.

40. On information and belief, Defendants continue to infringe, actively induce the infringement of, and contribute to the infringement of one or more claims of the '120, '734 and '984 Patents by making, using, offering to sell, or selling the Accused Services.

41. Defendants' infringement of the patents identified in Paragraph 38 of this Complaint has been and is willful.

42. Defendants' infringement has caused and will continue to cause Katz Technology Licensing irreparable harm unless enjoined by this Court. Katz Technology Licensing has no adequate remedy at law.

1 43. Plaintiff respectfully demands a trial by jury of all issues so triable, pursuant to
2 FRCP 38.

3 WHEREFORE, Ronald A. Katz Technology Licensing, L.P., respectfully requests that
4 this Court enter judgment in its favor and against the Defendants, and each of them, and grant the
5 following relief:

6 1. Adjudge that Defendants have been and are infringing one or more claims of the
7 patents identified in Paragraph 38 of this Complaint by offering the Accused Services;

8 2. Adjudge that Defendants' infringement has been and is willful;

9 3. Enter Orders, pursuant to 35 U.S.C. § 283, temporarily, preliminarily, and
10 permanently enjoining Defendants, and all persons in active concert or participation with them,
11 from any further acts of infringement, contributory infringement, or inducement of infringement
12 of the '120, '734 and '984 Patents;

13 4. Order an accounting for damages resulting from Defendants' infringement of the
14 patents identified in Paragraph 38 of this Complaint;

15 5. Enter an Order, pursuant to 35 U.S.C. § 284, awarding to Katz Technology
16 Licensing damages adequate to compensate Katz Technology Licensing for Defendants'
17 infringement, but in no event less than a reasonable royalty, together with pre-judgment and post-
18 judgment interest;

19 6. Enter an Order, pursuant to 35 U.S.C. § 284, and based on Defendants' willful
20 infringement, trebling all damages awarded to Katz Technology Licensing and against
21 Defendants;

22 7. Enter an Order, pursuant to 35 U.S.C. § 285, finding that this is an exceptional
23 case and awarding to Katz Technology Licensing its reasonable attorneys' fees incurred in this
24 action; and

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